

Program A: Executive Administration and General Support

Program Authorization: R.S. 40:2002; 40:2014; 40:2331; 40:1232; and Act 3 of 1997

PROGRAM DESCRIPTION

The mission of the Executive Administration and General Support Program is:

1. To provide access to high quality medical care to residents of Louisiana, regardless of income or insurance coverage, and at a level of care appropriate to their medical needs.
2. To maintain facility environments conducive to quality, accredited residency and other health education programs and work cooperatively with Louisiana medical schools and other health education institutions to afford the maximum opportunity for clinical training in the hospitals.
3. To minimize the cost to the State of providing health care to the uninsured by operating its hospitals efficiently, cost effectively, and in accordance with the standards of the hospital industry, and by maintaining a base of patients with third party support, particularly Medicaid.
4. To work cooperatively with other health care programs, providers and groups at the state and community levels in order to maximize the health care resources available to all the citizens of Louisiana.

The goals of the Executive Administration and General Support Program are:

1. Prevention: Health care effectiveness with an emphasis on preventive and primary care.
2. Partnership: Integrated health delivery network with internal and external community partners.
3. Performance: Improved management information systems and fiscal accountability.

As a result of Act 3 of the 1997 Regular Session of the Louisiana Legislature, the state public hospitals and the Service and Resource Office of what was then known as the Louisiana Health Care Authority were transferred to the management of the Louisiana State University Medical Center (LSUMC). The system is now named the Health Care Services Division of the LSU Health Sciences Center (LSUHSC). The Service and Resource Office provides support to the hospitals in the areas of fiscal services, reimbursements, contracting, purchasing, auditing, information systems, human resources, clinical, quality assurance, accreditation support, legislative liaison, community networking/partnering, managed care, and patient advocacy. This program includes the administrative executive staff and clerical support assigned to these positions. Funding for the Medical Education and Research (Anatomical Services) Program is included in the Anatomical Services activity in the Executive Administrative Program.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1. (KEY) To keep operating expenses for the Administrative Program within 3% of the total Health Care Services Division (HCSD) operating budget.

Strategic Link: This objective reflects the incremental movement toward the achievement of the 1998-2002 HCSD Strategic Plan Goal 3 which emphasizes fiscal accountability. It is to: Implement initiatives which have the objective of better integrating the nine-hospital system and creating the management tools to support the fiscally prudent management of expenditure and revenues. Emphasis has been placed on improving information systems and automation to hospital functions, which are necessary for management efficiency and improvement of patient care.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Administrative (central office) operating budget as a percent of the total HCSD operating budget ¹	Not applicable ²	1.44%	1.26%	1.26%	1.26%	1.26%

¹ This data does not include the administrative operating cost of all nine hospitals. This is inclusive of only the central office of HCSD. The HCSD (representatives of the medical and administrative sides of each medical center and the administrative office) is in the process of developing a new strategic plan which will more clearly reflect the core purposes and values of the Division of Administration. The focus expressed in the goals in the 1998-2002 (health care effectiveness with emphasis on preventive and primary care; integrated health delivery network with internal and external community partners; and improved management information systems and fiscal accountability) is unchanged, but emphasis in the objectives chosen has changed slightly.

² This performance indicator did not appear under Act 10 of 1999 and therefore has no performance standard for FY 1999-2000.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999 - 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$2,800,000	\$1,700,000	\$1,700,000	\$1,217,594	(\$482,406)
STATE GENERAL FUND BY:						
Interagency Transfers	25,300,217	30,695,508	26,552,608	27,300,228	23,994,245	(2,558,363)
Fees & Self-gen. Revenues	246,000	246,000	246,000	246,000	246,000	0
Statutory Dedications	1,194,223	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	865,760	865,760	865,760	865,760	865,760	0
TOTAL MEANS OF FINANCING	\$27,606,200	\$34,607,268	\$29,364,368	\$30,111,988	\$26,323,599	(\$3,040,769)
EXPENDITURES & REQUEST:						
Salaries	\$3,346,434	\$4,055,396	\$3,929,343	\$4,091,537	\$3,934,027	\$4,684
Other Compensation	160,841	83,378	187,559	187,559	187,559	0
Related Benefits	578,915	653,212	675,083	707,522	675,069	(14)
Total Operating Expenses	8,491,801	8,471,957	9,542,336	9,708,011	9,325,527	(216,809)
Professional Services	821,989	1,943,306	1,148,465	1,187,331	1,148,465	0
Total Other Charges	13,962,875	19,073,419	13,554,982	13,940,028	10,762,952	(2,792,030)
Total Acq. & Major Repairs	243,345	326,600	326,600	290,000	290,000	(36,600)
TOTAL EXPENDITURES AND REQUEST	\$27,606,200	\$34,607,268	\$29,364,368	\$30,111,988	\$26,323,599	(\$3,040,769)
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	142	135	140	140	130	(10)
Unclassified	0	0	0	0	0	0
TOTAL	142	135	140	140	130	(10)

SOURCE OF FUNDING

This program is funded with State General Fund, Interagency Transfers, Fees & Self-generated Revenue, and Federal Funds. The General Fund represents funding for the dispensing of various outpatient medications for asthma, diabetes, and heart failure that are not considered allowable, or reimbursable costs from the Medicaid program. The Interagency Transfers represent reimbursement from the Medicaid Program for services provided to Medicaid eligible and "free care" patients. The Interagency Transfer means of financing is collected at the individual hospital level, based on costs allocated from the Executive Administration and General Support Program, and the funds are then "pooled" back to fund the Executive Administration and General Support Program. The Fees & Self-generated Revenue represents anatomical fees collected from medical students to help defray the costs of cadavers supplied by the Anatomical Services activity. The Federal Funds means of financing is collected at the individual hospital level, and the funds are "pooled" back to fund the Executive Administration and General Support Program.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$2,800,000	\$34,607,268	135	ACT 11 FISCAL YEAR 2000-2001
			BA-7 TRANSACTIONS:
(\$1,100,000)	(\$5,242,900)	5	BA-7 # 216 approved for the distribution of Disease Management funds and positions
\$1,700,000	\$29,364,368	140	EXISTING OPERATING BUDGET – December 15, 2000
\$0	\$96,353	0	Annualization of FY 2000-2001 Classified State Employees Merit Increase
\$0	\$98,280	0	Classified State Employees Merit Increases for FY 2001-2002
\$0	(\$7,797)	0	Risk Management Adjustment
\$0	\$290,000	0	Acquisitions & Major Repairs
\$0	(\$326,600)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$3,578	0	Legislative Auditor Fees
\$0	\$137,815	0	Salary Base Adjustment
\$0	(\$123,436)	(3)	Attrition Adjustment
\$0	(\$204,342)	(7)	Personnel Reductions
\$0	(\$209,012)	0	Salary Funding from Other Line Items
\$0	(\$2,313,202)	0	Other Adjustments - Pro-rata reduction of Uncompensated Care by 9%
(\$442,342)	(\$442,342)	0	Other Adjustments - Reduction in State General Fund as part of overall budget reductions
(\$40,064)	(\$40,064)	0	Other Adjustments - Reduction in State General Fund as part of overall budget reductions
\$1,217,594	\$26,323,599	130	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$1,217,594	\$26,323,599	130	BASE EXECUTIVE BUDGET FISCAL YEAR 2001-2002

			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$1,217,594	\$26,323,599	130	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 89.6% of the existing operating budget. It represents 40.2% of the total request (\$65,490,100) for this program. The decrease reflected above is a result of Target Dollar cuts to the Disease Management Initiative.

PROFESSIONAL SERVICES

\$48,500	Property appraisal required for determining depreciation as an allowable cost which is reimbursed by Medicaid/Medicare
\$280,000	Collection Express Services and United Credit Systems for collection of delinquent accounts
\$60,000	Tulane University Hospital and Clinics for providing telephonic triage services 24 hours per day, 7 days per week
\$48,737	Tharp-Sontheimer Funeral Home for transportation of donor remains
\$39,500	S. Longo and Associates for developing hospital management plans for compliance with JCAHO Environment of Care standards
\$18,000	M.D. Byline for evaluating equipment and writing competitive equipment specifications
\$19,000	Healthcare Education Strategies for providing APC billing training to HCSD billing and medical records staff
\$48,000	C. Caldwell for assessment of quality and cost reduction activities
\$40,000	Regions Bank for banking services
\$31,750	Allen & Gooch for Civil Service appeals and counsel on issues relating to employment, ADA, and new programs
\$17,304	Contracts for various legal services
\$2,900	Contract for graphic design services
\$75,000	M. Easley for consultation on Medicare/Medicaid reimbursement
\$293,864	Various management consulting contracts
\$118,108	Various contracts for mental and dental services
\$7,802	Various contracts for engineering and architectural services
\$1,148,465	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

4,031,525	Disease Management
23,264	Legislative Auditor expenses
4,054,789	SUB-TOTAL OTHER CHARGES

Interagency Transfers:

\$4,573,693	Payments to LSU School of Medicine for physician salaries.
\$171,202	Payments to LSU School of Medicine for supplies, telephone, postage, and general support.
\$982,291	Payments to LSU School of Medicine for information services
\$832,359	Payments to LSU Board of Supervisors for rent of the Systems Building
\$144,810	Payments to LSU School of Medicine for the Anatomical Services Program
\$2,588	Payments to the Division of Administration for state mail and forms management
\$1,220	Payments to Comprehensive Public Training Program
\$6,708,163	SUB-TOTAL INTERAGENCY TRANSFERS

\$10,762,952	TOTAL OTHER CHARGES
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ACQUISITIONS AND MAJOR REPAIRS

\$290,000	Funding for the replacement of inoperable and obsolete equipment
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\$290,000	TOTAL ACQUISITIONS AND MAJOR REPAIRS
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